



Department of Justice

FOR IMMEDIATE RELEASE
NOVEMBER 3, 2008
WWW.USDOJ.GOV/USAO/MA

CONTACT: CHRISTINA DI IORIO-STERLING
PHONE: (617) 748-3356
E-MAIL: USAMA.MEDIA@USDOJ.GOV

**PRESIDENT AND NEW BEDFORD MANUFACTURER PLEAD GUILTY TO HIRING,
HARBORING AND FAILING TO PAY OVERTIME TO ILLEGAL ALIENS TO
FULFILL LUCRATIVE GOVERNMENT CONTRACTS**

BOSTON, MA - A New Bedford manufacturer awarded almost \$230 million in contracts over the past five years pled guilty today along with its president to various charges alleging that they hired illegal aliens, helped to shield them from detection, failed to pay them full overtime, and fraudulently misled the government, all in an effort to maximize profits on a series of lucrative military contracts.

United States Attorney Michael J. Sullivan and Bruce M. Foucart, Special Agent in Charge for the U.S. Immigration and Customs Enforcement - Office of Investigations in Boston, working in close partnership with the Insurance Fraud Bureau of Massachusetts, U.S. Department of Labor's Office of Inspector General and Wage and Hour Division, U.S. Postal Inspection Service, Office of Inspector General, Social Security Administration, Office of Investigations - Boston Field Division and the Department of Defense's Criminal Investigative Service, announced today that MICHAEL BIANCO, INC. (MBI), and its president and principal shareholder FRANCESCO INSOLIA, 51, of Pembroke, Massachusetts, pled guilty to several charges contained in a Superseding Information.

MBI pled guilty to: Eighteen specific counts of knowingly hiring illegal aliens on various dates from between early 2004 and late 2006, a time during which the company grew from less than a hundred to more than six hundred employees; helping to harbor and shield illegal aliens from detection from authorities from 2004 to 2007; fraudulently misrepresenting social security numbers and committing mail fraud when it submitted social security numbers to the IRS and Social Security Administration knowing that many of the numbers had to be false given that many of the company's employees were illegal aliens and; failing to pay many employees overtime from 2005 to 2007.

INSOLIA pled guilty to helping harbor and conceal aliens by allowing the company to submit false social security numbers for employees to the government as if they were real. The charges arose in the context of an investigation which began in 2006 and culminated in a March 6, 2007 raid on the company's New Bedford offices at 89 West Rodney French Boulevard, leading to the detention of at least 361 illegal aliens.

Based on information contained in the Superseding Informations, statements made in court and in an affidavit previously submitted to the court, INSOLIA created MBI in 1985 and specialized in the manufacture of handbags and other fine leather goods. Between 2001 and 2006, MBI won a number of Department of Defense contracts worth approximately \$230 million to manufacture certain products for the U.S. military. As a result of these defense contracts, MBI began to substantially increase its workforce, growing from about 85 employees in 2001 to approximately 650 people in 2006.

In pleading guilty, INSOLIA and MBI have agreed to accept specific sanctions and punishments provided the court agrees they are reasonable. INSOLIA has agreed to accept a term of incarceration of up to 18 months, but no less than a year and a day, and has agreed to pay a fine of \$30,000. The

company has agreed to pay a fine of approximately \$1.5 million and to pay approximately \$460,000 in restitution for the overtime owed to employees.

The guilty pleas by INSOLIA and MBI follow guilty pleas entered late last month by two managers. On October 24, 2008, Dilia Costa, MBI's production manager, pled guilty to a two count Superseding Information charging her with hiring and harboring illegal aliens. MBI's contracts administrator, Gloria Melo, pled guilty on the same day to one count of continuing to employ aliens even after the company had reason to know they were illegal.

U.S. Attorney Sullivan said, "Our nation is rich with opportunities and it is no wonder that people from around the globe seek to come here to work and live. The defendants' conduct in this case undermines our nation's principles of freedom and the integrity of our immigration system, placing legally operating businesses at a competitive disadvantage."

"Employers who knowingly hire an illegal workforce exploit illegal aliens, take jobs away from legal workers and gain an unfair advantage over their competitors," said Julie L. Myers, Homeland Secretary Assistant Secretary for ICE. "It is not okay for business owners to line their pockets by breaking the law. The pleas today reflect the type of employer ICE targets during our worksite enforcement investigations."

The case was investigated by U.S. Immigration and Customs Enforcement - Office of Investigations in Boston, with substantial assistance from the Social Security Administration's Office of Inspector General, Department of Defense's Criminal Investigative Service, U.S. Department of Labor - Office of Inspector General, U.S. Department of Labor - Employment Standards Administration, Wage and Hour Division, Insurance Fraud Bureau of Massachusetts and the U.S. Postal Inspection Service. It is being prosecuted by Assistant U.S. Attorneys Donald Cabell and B. Stephanie Siegmann in Sullivan's Criminal Division.

###